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STATEMENT OF REASONS IN SUPPORT OF
PRE-APPEAL BRIEF REQUEST FOR REVIEW

TOWNSEND and TOWNSEND and CREW LLP

PATENT

Attorney Docket No.: 020375-002720US

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Terry Allen-Rouman et al.

Application No.: 09/991,497

Filed: November 15, 2001

For: ONLINE FUNDS TRANSFER
METHOD

Customer No.: 20350

Confirmation No.: 4579

Examiner: Siegfried E. Chencinski

Art Unit: 3695

STATEMENT OF REASONS IN
SUPPORT OF PRE-APPEAL BRIEF
REQUEST FOR REVIEW

***Via EFS-Web
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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This statement is submitted in support of the Pre-Appeal Brief Request for Review, that is submitted herewith. The Applicant respectfully requests review of the final rejection mailed by the U.S. Patent Office for the above-identified application on April 29, 2009 (“the Final Office Action”).

A Notice of Appeal is being filed concurrently herewith.

1. Status of Claims

Claims 1-10 and 20-22 stand rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Claims 1-10 and 20-22 under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-10, 12-18, and 20-22 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,557,518 to Rosen (hereinafter “Rosen”) in view of U.S. Patent No. 5,920,847 to Kolling et al. (hereinafter “Kolling”) and Applicant Admitted Prior Art (hereinafter “AAPA”).

2. Reasons for Requesting Review

As noted above, the Office Action has rejected claims 1-10 and 20-22 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement. More specifically, the Office Action alleges that “claims 1 and 20 contain a new limitation which appears to be new matter” and that Applicants have “failed to provide the required location in the specification and in the drawings for the support of the new limitation in the independent claims which provide for denial of the second transfer when there is no match of identification with the payment information.” (Final Office Action page 3) The Office Action has also rejected claim 1-10 and 20-22 under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. More specifically, the Office Action argues that the claims are indefinite “because Applicant has failed to provide the required location in the specification and in the drawings for the support of the new limitation in the independent claims which provides for denial of the second transfer when there is no match of identification with the payment information.” (Final Office Action pages 3-4) The Office Action also alleges that “the examiner has been unable to find this support but has instead found many places in the schematics which are missing the two decision options of YES or NO or equivalent in numerous steps – for example in Fig’s 6 (138), 7 (168), 8 (194), 9 (208, 222), 10 (all steps).”

As an initial matter, the Applicants respectfully note that FIGs. 6-10 cited by the Office Action are not flowcharts and do not depict decision steps. Therefore, the Applicants do not believe that “the two decision options of YES and NO or equivalent” are in fact required and thus not missing. Additionally, the elements of the figures cited in support of this contention do not actually appear in these figures in the present application. Thus, the rejection is, at best, unclear and should be clarified or withdrawn.

With regard to the recitation of claims 1 and 20 related to providing for denial of the second transfer when there is no match of identification with the payment information, the Applicants believe that the specification of the present application provides adequate support for the new limitation. For example, see paragraphs 71-77 and FIGs. 5A-5C. Therefore, the Applicants respectfully request withdrawal of the rejections.

The Office Action has rejected claims 1-10, 12-18, and 20-22 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,557,518 to Rosen (hereinafter “Rosen”) in view of U.S. Patent No. 5,920,847 to Kolling et al. (hereinafter “Kolling”) and Applicant Admitted Prior Art (hereinafter “AAPA”). The Applicants respectfully submit that the Office Action does not establish a *prima facie* case of obviousness in rejecting these claims, as amended. Therefore, the Applicants request reconsideration and withdrawal of the rejection.

In order to establish a *prima facie* case of obviousness, all claimed limitations must first be taught or suggested by the prior art. *See, e.g., DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006). The Office Action must then provide an explicit analysis supporting the rejection. *See KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007) (“a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art”). While the Office Action can use one of several exemplary rationales from the MPEP to support an obviousness rejection under *KSR*, all the rationales still require the Office Action to demonstrate that all the claim elements are shown in the prior art. *See* MPEP §2143. As will be discussed below, the references cited by the Office Action do not teach or suggest each claimed limitation.

Rosen is directed to “a system for facilitating open electronic commerce” that “utilizes tamper-proof electronic units, referred to as ‘trusted agents’ in combination with money modules to create a secure transaction environment for both the buyer and seller of electronic merchandise and services.” (Col. 1, lines 6-11) However, as argued previously and as noted by the Office Action (see page 4-5) Rosen does not teach or suggest initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. That is, Rosen does not teach or suggest this “reverse float” as it is referred to in the description of the present application (see paragraph 39) on the third account, i.e., provided by the funds transfer service.

In an effort to demonstrate such a teaching, the Office Action turns to Kolling. Kolling is directed to “a bill pay system [that] allows a consumer or business to direct their bank, an agent of their bank, or a non-bank bill pay service bureau, to pay amounts owed to merchants, service providers and other billers who bill consumers or businesses for amounts owed, and allows a consumer or business to receive electronic invoices.” (Col. 1, lines 15-20) However, the Applicants respectfully maintain that Kolling does not teach or suggest, alone or in combination with Rosen, the reverse float provided by a funds transfer system by initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. With regard to this recitation, the Office Action cites col. 2, lines 26-29 of Kolling which states in total: “In other cases, the payment is an electronic transfer where the consumer's account information is included with the transfer or provided in a list of payments from multiple consumers provided by the service bureau to the biller.” The Applicants contend that nothing in this portion of Kolling teaches or suggest, alone or in combination with Rosen, initiating a transfer from the account of the funds transfer service to the account associated with the second party before a first transfer (from an account associated with the first entity to the third account) is cleared. However, the Applicants do note that Kolling states “Bank C does not submit the transaction until funds are good or Bank C is willing to take the risk of loss if funds are not good.” (Col. 12, lines 10-12)

To any extent that such action by Bank C can be considered a reverse float as recited in the pending claims, the Applicants respectfully note that Bank C is the customers/payers bank and thus not an account of a funds transfer service (third account). Rather, this account would at best equate to the recited first account.

The Office Action also cites and relies on previously taken Official Notice of:

“a) the sending and receiving of credits and debits electronically between accounts; b) that the first part on whose behalf the bill payer/third party is transferring funds to the second part rarely if ever receives confirmation information before the bill pay service transmits the funds to the biller and the funds clear, which clear the same day or within a few days in the case of checks. The first party (payer) usually receives such confirmations in a monthly statement from his bank and from his bill payment service.” (Final Office Action page 6)

However, the Applicants respectfully contend that, even if taken, such Official Notice does not address the recitations of the pending claims. That is, the claims do not recite making a transfer from the payee before a statement or receipt of the transaction is sent to the payor. Rather, the claims recite initiating a transfer from the third account, i.e., the account of the funds transfer service, to a second account, i.e., the account associated with the second party, before a first transfer (from an account associated with the first entity to the third account) is cleared. Therefore, none of the references, including Official Notice, teach or suggest, alone or in combination, all of the recitations of the pending claims. For at least these reasons, the Applicants maintain that the rejection is improper and should be withdrawn.

Respectfully submitted,

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